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Attorneys for Defendant
NATIONWIDE LIFE INSURANCE COMPANY

**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA**

DONALD SAXBY, an individual, and
BARBARA SAXBY, an individual,

Plaintiffs,

vs.

NATIONWIDE LIFE INSURANCE
COMPANY, dba NATIONWIDE
HEALTH PLANS, and DOES 1 through
50, inclusive,

Defendants.

Case No. CV08-1165 JL

**NOTICE TO ADVERSE PARTY OF
FILING REMOVAL OF CIVIL
ACTION TO FEDERAL COURT
UNDER 28 U.S.C. § 1441(b)
(DIVERSITY)**

TO PLAINTIFFS AND TO THEIR ATTORNEYS OF RECORD:

PLEASE TAKE NOTICE that on February 27, 2008, defendant Nationwide Life Insurance Company ("Nationwide"), filed a Notice of Removal of Civil Action in the United States District Court, Northern District of California, a copy of which is served upon you concurrently herewith.

///

///

///

1 PLEASE ALSO TAKE NOTICE that a copy of the Notice of Removal is being
2 filed with the clerk of the Superior Court for the State of California, County of Marin.

3
4 Dated: February 28, 2008

JOHN L. VIOLA
JOEL D. COVELMAN
DYKEMA GOSSETT LLP

6
7 By: 

John L. Viola
Joel D. Covelman
Attorneys for Defendant
Nationwide Life Insurance Company

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11 IDVLV

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ORIGINAL
FILED

FEB 27 2008

RICHARD W. WIEKING
CLERK, U.S. DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA

E-filing

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5 Telephone: (213) 457-1800
Facsimile: (213) 457-1850
6 Attorneys for Defendant
NATIONWIDE LIFE INSURANCE COMPANY

8 **UNITED STATES DISTRICT COURT**
9 **NORTHERN DISTRICT OF CALIFORNIA**

JL

10 DONALD SAXBY, an individual, and
11 BARBARA SAXBY, an individual,

12 Plaintiffs,

13 vs.

14 NATIONWIDE LIFE INSURANCE
COMPANY, dba NATIONWIDE
15 HEALTH PLANS, and DOES 1 through
16 50, inclusive,

17 Defendants.

CV 08 1165

NOTICE OF REMOVAL OF CIVIL
ACTION TO FEDERAL COURT
UNDER 28 U.S.C. § 1441(b)
(DIVERSITY)

19 TO THE CLERK OF THE ABOVE ENTITLED COURT:

20 PLEASE TAKE NOTICE that defendant Nationwide Life Insurance Company
21 ("Nationwide") hereby removes this civil action from the Superior Court of the State
22 of California for the County of Marin to the United States District Court, Central
23 District of California. This Notice of Removal of Action under 28 U.S.C. § 1441(b)
24 (Diversity) ("Notice") is based upon the following:

25 1. On or about February 27, 2007, an action was commenced in the
26 Superior Court of the State of California for the County of Marin (the "Superior
27 Court"), entitled *Donald Saxby, an individual, and Barbara Saxby, an individual vs.*
28

NOTICE OF REMOVAL OF CIVIL ACTION

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1 *Nationwide Life Insurance Company, dba Nationwide Health Plans, Linda DeBolt,*
2 *and Does 1 to 50, inclusive,* as Case Number CV070858.

3 2. Service of Plaintiffs' Complaint was made on Nationwide on February
4 27, 2007. Copies of all process, pleadings and orders served upon defendant are
5 attached hereto as Exhibit 1, pursuant to 28 U.S.C. § 1446(a), and incorporated herein.

6 3. The case was not removed at that time to federal court due to the
7 presence of a non-diverse defendant, Linda DeBolt, a California resident.

8 4. On February 26, 2007, Nationwide received notice, a copy of which is
9 attached as Exhibit 2, that plaintiffs had settled with Ms. DeBolt. This Notice
10 evidences a voluntary abandonment by plaintiffs of their claims against defendant
11 Linda DeBolt. *See, Delatte v. Zurich Ins. Co.* (MDLA 1988) 683 F. Supp. 1062,
12 1063; *Heniford v. American Motor Sales Corp.* (D SC 1979) 471 F.Supp. 328, 344.

13 5. Pursuant to 28 U.S.C. § 1446(b), this Notice is filed within thirty (30)
14 days of receipt of such notice of settlement and not more than 1 year after
15 commencement of the action.

16 6. **JURISDICTION.** The United States District Court for the Central
17 District of California is the district in which the state court action was filed. This
18 Court has jurisdiction pursuant to 28 U.S.C. §§ 1332, 1333, 1441(a) and 1446
19 because this Court has "diversity" jurisdiction.

20 a. Pursuant to 28 U.S.C. § 1332, this Court has original jurisdiction
21 of all civil actions where the matter in controversy exceeds the sum or value of
22 \$75,000, exclusive of interest and costs, and is between citizens of different states.

23 b. Nationwide is informed and believes that Plaintiffs Donald and
24 Barbara Saxby are citizens of the County of Marin, State of California. [See Exhibit
25 1, Complaint ¶ 6.]

26 c. Nationwide is a citizen of the State of Ohio. At the time this
27 action was filed, at the time of this Notice of Removal, and at all relevant times,
28 defendant Nationwide is and was a citizen and resident of the State of Ohio.

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1 d. Although the Complaint alleges that defendant Linda DeBolt is a
2 California resident [Complaint, ¶ 8], the citizenship of defendant DeBolt should be
3 disregarded for purposes of determining jurisdiction under 28 U.S.C. § 1332 because
4 DeBolt is a “sham defendant”. In the Complaint, plaintiffs allege claims against
5 Nationwide for breach of contract, breach of the duty of good faith and fair dealing,
6 declaratory relief and violation of California Business & Professions Code § 17200,
7 all based on Nationwide’s decision to rescind their certificate of insurance based on
8 the misrepresentations on the application for insurance. Plaintiffs’ sole claim against
9 Ms. DeBolt is their claim for Professional Negligence. Review of this claim,
10 however, reveals that it is based entirely on Ms. DeBolt’s alleged negligent assistance
11 in plaintiffs’ completion of the application for insurance to Nationwide. [Complaint,
12 ¶¶ 49-54.] In fact, however, plaintiffs admit that they completed the application “on
13 line”, over the internet, without Ms. DeBolt’s assistance, and did not describe to her
14 any of their medical conditions. Thus, plaintiffs have settled with Ms. DeBolt and are
15 in the process of dismissing her from the Complaint. [See Ex. 2.]

16 Thus, Ms. DeBolt was joined solely as a sham defendant and her fraudulent
17 joinder to the complaint should not defeat diversity. *See Morris v. Princess Cruises,*
18 *Inc.*, 236 F.3d 1061, 1067-68 (9th Cir. 2001) (“Joinder of a non-diverse defendant is
19 deemed fraudulent, and the defendant’s presence in the lawsuit is ignored for
20 purposes of determining diversity, if the plaintiff fails to state a cause of action
21 against a resident defendant, and the failure is obvious according to the settled rules
22 of the state.”; *McCabe v. General Foods Corp.*, 811 F.2d 1336, 1339 (9th Cir. 1987)
23 (“The defendant seeking removal to the federal court is entitled to present the facts
24 showing the joinder to be fraudulent”). The citizenship of Ms. DeBolt, therefore,
25 should be disregarded for purposes of determining jurisdiction under 28 U.S.C. §
26 1332.

27 e. Pursuant to 28 U.S.C. § 1441(a), the citizenship of defendants
28 sued under fictitious names shall be disregarded when determining removal

1 jurisdiction. Accordingly, the citizenship of Does 1 through 50 should not be
2 considered when determining whether jurisdiction based on diversity of citizenship
3 exists in this case.

4 f. This is a civil action between citizens of different states, and the
5 matter in controversy exceeds the sum of one hundred thousand dollars (\$350,000),
6 exclusive of interest and costs. Plaintiffs also seek exemplary and punitive damages.

7 g. Joinder in this Notice of Removal by defendant Linda DeBolt,
8 who has settled this action with plaintiffs (see ¶ 4, supra, and Exhibit 2) and was
9 named solely as a "sham defendant", to defeat diversity, is not required. *Farias v.*
10 *Bexar County Bd. of Trustees for Mental Health* (5th Cir. 1991) 925 F. 2d 866, 871.

11 7. **INTRA DISTRICT ASSIGNMENT.** Pursuant to Local Rule 3-5(b),
12 Nationwide states that this case should be assigned to the San Francisco or Oakland
13 Division, pursuant to Local Rule 3-2(d).

14 8. In accordance with 28 U.S.C. § 1446(d), copies of this Notice of
15 Removal shall be timely served upon Plaintiffs, through their counsel of record, and a
16 copy of this Notice of Removal shall be timely filed with the Superior Court.

17 9. In removing this action, Nationwide does not intend to waive any rights
18 or defenses to which it is otherwise entitled under state or federal law, as applicable,
19 including but not limited to those set forth in the Federal Rules of Civil Procedure,
20 including, but not limited to, lack of personal jurisdiction, improper service and
21 improper venue.

22 10. This Notice of Removal is signed pursuant to Rule 11 of the Federal
23 Rules of Civil Procedure and in accordance with 28 U.S.C. § 1446. The statements
24 and allegations contained herein are true and correct to the best of the knowledge and
25 belief of the undersigned based upon a review of the material available, including
26 Exhibit A hereto.

27 11. Based on the foregoing, Nationwide has met its burden of establishing
28 that this Court has original jurisdiction over this civil action pursuant to 28 U.S.C. §

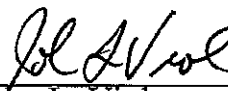
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1 1332(a) and that this action is one that may be removed to this Court by defendant
2 pursuant to 28 U.S.C. § 1441, because there is complete diversity of citizenship
3 between the parties and the amount in controversy exceeds \$75,000.00, exclusive of
4 interest and costs.

5 WHEREFORE, NATIONWIDE LIFE INSURANCE COMPANY, respectfully
6 removes this action, currently pending in the Superior Court of the State of California
7 for the County of Marin, as Case No. CV070858, to the United States District Court,
8 North District of California.

9
10 Dated: February 26, 2008

JOHN L. VIOLA
JOEL D. COVELMAN
DYKEMA GOSSETT LLP

11
12
13 By: 
14 John L. Viola
15 Joel D. Covelman
16 Attorneys for Defendant
17 Nationwide Life Insurance Company

18 PAS01\67488.1
19 IDJLV

EXHIBIT 1

02/27/2007 TUE 16:08 FAX 707 545 5454 Attorneys Diversified

003/005

02/27/2007 09:56 FAX 9094472043

SHERNOFF BIDART & DARRAS

004/017

SUM-100

SUMMONS (CITACION JUDICIAL)

NOTICE TO DEFENDANT:

(AVISO AL DEMANDADO):

NATIONWIDE LIFE INSURANCE COMPANY, dba NATIONWIDE HEALTH PLANS, LINDA DEBOLT, an individual and DOES 1 through 60 inclusive.

YOU ARE BEING SUED BY PLAINTIFF:

(LO ESTÁ DEMANDANDO EL DEMANDANTE):

DONALD SAXBY, an individual, and BARBARA SAXBY, an individual,

FOR COURT USE ONLY
(SOLO PARA USO DE LA CORTE)

FILED

FEB 27 2007

KIM TURNER
Court Executive Officer
MARIN COUNTY SUPERIOR COURT
By: B. Jones Deputy

You have 30 CALENDAR DAYS after this summons and legal papers are served on you to file a written response at this court and have a copy served on the plaintiff. A letter or phone call will not protect you. Your written response must be in proper legal form if you want the court to hear your case. There may be a court form that you can use for your response. You can find these court forms and more information at the California Courts Online Self-Help Center (www.courtinfo.ca.gov/selfhelp), your county law library, or the courthouse nearest you. If you cannot pay the filing fee, ask the court clerk for a fee waiver form. If you do not file your response on time, you may lose the case by default, and your wages, money, and property may be taken without further warning from the court. There are other legal requirements. You may want to call an attorney right away. If you do not know an attorney, you may want to call an attorney referral service. If you cannot afford an attorney, you may be eligible for free legal services from a nonprofit legal services program. You can locate these nonprofit groups at the California Legal Services Web site (www.lawhelpcalifornia.org), the California Courts Online Self-Help Center (www.courtinfo.ca.gov/selfhelp), or by contacting your local court or county bar association.

Tiene 30 DÍAS DE CALENDARIO después de que le entreguen esta citación y papeles legales para presentar una respuesta por escrito en esta corte y hacer que se entregue una copia al demandante. Una carta o una llamada telefónica no lo protegen. Su respuesta por escrito tiene que estar en formato legal correcto si desea que procesen su caso en la corte. Es posible que haya un formulario que usted pueda usar para su respuesta. Puede encontrar estos formularios de la corte y más información en el Centro de Ayuda de las Cortes de California (www.courtinfo.ca.gov/selfhelp/espanol/), en la biblioteca de leyes de su condado o en la corte que le quede más cerca. Si no puede pagar la cuota de presentación, pida al secretario de la corte que le dé un formulario de exención de pago de cuotas. Si no presenta su respuesta a tiempo, pueda perder el caso por incumplimiento y la corte le podrá quitar su sueldo, dinero y bienes sin más advertencia. Hay otros requisitos legales. Es recomendable que llame a un abogado inmediatamente. Si no conoce a un abogado, puede llamar a un servicio de remisión a abogados. Si no pueda pagar a un abogado, es posible que cumpla con los requisitos para obtener servicios legales gratuitos de un programa de servicios legales sin fines de lucro. Puede encontrar estos grupos sin fines de lucro en el sitio web de California Legal Services (www.lawhelpcalifornia.org), en el Centro de Ayuda de las Cortes de California, (www.courtinfo.ca.gov/selfhelp/espanol/) o poniéndose en contacto con la corte o el colegio de abogados locales.

The name and address of the court is:
(El nombre y dirección de la corte es):

CASE NUMBER:
(Número del Caso)

CV070858

Marin Superior Court
3501 Civic Center Drive
San Rafael, California 94913

The name, address, and telephone number of plaintiff's attorney, or plaintiff without an attorney, is:

(El nombre, la dirección y el número de teléfono del abogado del demandante, o del demandante que no tiene abogado, es):
William M. Shernoff, Esq. #38858 909-821-4935

SHERNOFF BIDART & DARRAS

600 S. Indian Hill Boulevard

Claremont, California 91711

DATE: FEB 27 2007

(Fecha)

KIM TURNER

Clerk, by
(Secretario)

B. JONES

Deputy
(Adjunto)

(For proof of service of this summons, use Proof of Service of Summons (form POS-010).)
(Para prueba de entrega de esta citación use el formulario Proof of Service of Summons, (POS-010)).

NOTICE TO THE PERSON SERVED: You are served

1. ☐ as an individual defendant.
2. ☐ as the person sued under the fictitious name of (specify):
3. ☒ on behalf of (specify): Nationwide Life Insurance Company, dba
under: Nationwide Health Plans
☒ CCP 416.10 (corporation) ☐ CCP 416.60 (minor)
☐ CCP 416.20 (defunct corporation) ☐ CCP 416.70 (conservatee)
☐ CCP 416.40 (association or partnership) ☐ CCP 416.90 (authorized person)
☐ other (specify):
4. ☐ by personal delivery on (date):

(SEAL)



02/27/2007 TUE 16:08 FAX 707 545 5454 Attorneys Diversified

002/005

02/27/2007 09:55 FAX 9094472043

SHERNOFF BIDART & DARRAS

002/017

CM-010

| | | |
|---|--|--|
| ATTORNEY OR PARTY WITHOUT ATTORNEY (Name, State Bar number, and address): William M. Shernoff, Esq. #38856 SHERNOFF BIDART & DARRAS 600 S. Indian Hill Boulevard Claremont, California 91711 TELEPHONE NO 909-621-4835 FAX NO 909-625-6915 ATTORNEY FOR (Name) Plaintiffs, DONALD SAXBY, et al. | | FOR COURT USE ONLY RECEIVED MARIN COUNTY SUPERIOR COURT 2001 FEB 27 P 4:24 |
| SUPERIOR COURT OF CALIFORNIA, COUNTY OF MARIN STREET ADDRESS: 3601 Civic Center Drive MAILING ADDRESS: CITY AND ZIP CODE: San Rafael 94913 BRANCH NAME: | | |
| CASE NAME: SAXBY, et al. v. NATIONWIDE LIFE INSURANCE, et al. | | |
| CIVIL CASE COVER SHEET <input checked="" type="checkbox"/> Unlimited Amount demanded exceeds \$25,000 <input type="checkbox"/> Limited (Amount) demanded is \$25,000 or less | | CASE NUMBER: 0070858 JUDGE: R. J. J. J. DEPT: E |

Items 1-5 below must be completed (see instructions on page 2).

1. Check one box below for the case type that best describes this case:

| | | |
|--|---|--|
| Auto Tort <input type="checkbox"/> Auto (22) <input type="checkbox"/> Uninsured motorist (48) Other PI/PD/W/D (Personal Injury/Property Damage/Wrongful Death) Tort <input type="checkbox"/> Asbestos (04) <input type="checkbox"/> Product liability (24) <input type="checkbox"/> Medical malpractice (45) <input type="checkbox"/> Other PI/PD/W/D (23) Non-PI/PD/W/D (Other) Tort <input type="checkbox"/> Business tort/unfair business practice (07) <input type="checkbox"/> Civil rights (08) <input type="checkbox"/> Defamation (13) <input type="checkbox"/> Fraud (18) <input type="checkbox"/> Intellectual property (19) <input type="checkbox"/> Professional negligence (26) <input type="checkbox"/> Other non-PI/PD/W/D tort (36) Employment <input type="checkbox"/> Wrongful termination (35) <input type="checkbox"/> Other employment (16) | Contract <input type="checkbox"/> Breach of contract/warranty (06) <input type="checkbox"/> Collections (09) <input checked="" type="checkbox"/> Insurance coverage (18) <input type="checkbox"/> Other contract (37) Real Property <input type="checkbox"/> Eminent domain/inverse condemnation (14) <input type="checkbox"/> Wrongful eviction (33) <input type="checkbox"/> Other real property (28) Unlawful Detainer <input type="checkbox"/> Commercial (31) <input type="checkbox"/> Residential (32) <input type="checkbox"/> Drugs (38) Judicial Review <input type="checkbox"/> Asset forfeiture (05) <input type="checkbox"/> Petition re: arbitration award (11) <input type="checkbox"/> Writ of mandate (02) <input type="checkbox"/> Other judicial review (39) | Provisionally Complex Civil Litigation (Cal. Rules of Court, rules 1800-1812) <input type="checkbox"/> Antitrust/Trade regulation (03) <input type="checkbox"/> Construction defect (10) <input type="checkbox"/> Mass tort (40) <input type="checkbox"/> Securities litigation (28) <input type="checkbox"/> Environmental/Toxic tort (30) <input type="checkbox"/> Insurance coverage claims arising from the above listed provisionally complex case types (41) Enforcement of Judgment <input type="checkbox"/> Enforcement of judgment (20) Miscellaneous Civil Complaint <input type="checkbox"/> RICO (27) <input type="checkbox"/> Other complaint (not specified above) (42) Miscellaneous Civil Petition <input type="checkbox"/> Partnership and corporate governance (21) <input type="checkbox"/> Other petition (not specified above) (43) |
|--|---|--|

2. This case ☐ is ☒ is not complex under rule 1800 of the California Rules of Court. If the case is complex, mark the factors requiring exceptional judicial management:
- | | |
|--|--|
| a. <input type="checkbox"/> Large number of separately represented parties | d. <input type="checkbox"/> Large number of witnesses |
| b. <input type="checkbox"/> Extensive motion practice raising difficult or novel issues that will be time-consuming to resolve | e. <input type="checkbox"/> Coordination with related actions pending in one or more courts in other counties, states, or countries, or in a federal court |
| c. <input type="checkbox"/> Substantial amount of documentary evidence | f. <input type="checkbox"/> Substantial postjudgment judicial supervision |
3. Type of remedies sought (check all that apply):
- | | | |
|---|--|---|
| a. <input checked="" type="checkbox"/> monetary | b. <input checked="" type="checkbox"/> nonmonetary; declaratory or injunctive relief | c. <input checked="" type="checkbox"/> punitive |
|---|--|---|

4. Number of causes of action (specify): 5

i. This case ☐ is ☒ is not a class action suit.

j. If there are any known related cases, file and serve a notice of related case. (You may use form CM-015)

Date: February 27, 2007

WILLIAM M. SHERNOFF

(TYPE OR PRINT NAME)

(SIGNATURE OF PARTY OR ATTORNEY FOR PARTY)

NOTICE

- Plaintiff must file this cover sheet with the first paper filed in the action or proceeding (except small claims cases or cases filed under the Probate Code, Family Code, or Welfare and Institutions Code). (Cal. Rules of Court, rule 201.8.) Failure to file may result in sanctions.
- File this cover sheet in addition to any cover sheet required by local court rule.
- If this case is complex under rule 1800 et seq. of the California Rules of Court, you must serve a copy of this cover sheet on all other parties to the action or proceeding.
- Unless this is a complex case, this cover sheet will be used for statistical purposes only.

Form Adopted for Mandatory Use
 Judicial Council of California
 6-010 (Rev. January 1, 2008)

CIVIL CASE COVER SHEET

American Legal Net, Inc.
 www.USCourtForms.com

Cal. Rules of Court, rules 201.8, 1800-1812,
 Standards of Judicial Administration, § 16
 www.courtinfo.ca.gov

Page 1 of 2

INSTRUCTIONS ON HOW TO COMPLETE THE COVER SHEET

To Plaintiffs and Others Filing First Papers

If you are filing a first paper (for example, a complaint) in a civil case, you must complete and file, along with your first paper, the *Civil Case Cover Sheet* contained on page 1. This information will be used to compile statistics about the types and numbers of cases filed. You must complete items 1 through 5 on the sheet. In item 1, you must check one box for the case type that best describes the case. If the case fits both a general and a more specific type of case listed in item 1, check the more specific one. If the case has multiple causes of action, check the box that best indicates the primary cause of action. To assist you in completing the sheet, examples of the cases that belong under each case type in item 1 are provided below. A cover sheet must be filed only with your initial paper. You do not need to submit a cover sheet with amended papers. Failure to file a cover sheet with the first paper filed in a civil case may subject a party, its counsel, or both to sanctions under rules 201.8(c) and 227 of the California Rules of Court.

To Parties in Complex Cases

In complex cases only, parties must also use the *Civil Case Cover Sheet* to designate whether the case is complex. If a plaintiff believes the case is complex under rule 1800 of the California Rules of Court, this must be indicated by completing the appropriate boxes in items 1 and 2. If a plaintiff designates a case as complex, the cover sheet must be served with the complaint on all parties to the action. A defendant may file and serve no later than the time of its first appearance a joinder in the plaintiff's designation, a counter-designation that the case is not complex, or, if the plaintiff has made no designation, a designation that the case is complex.

CASE TYPES AND EXAMPLES

Auto Tort

Auto (22)-Personal Injury/Property Damage/Wrongful Death
Uninsured Motorist (46) *(if the case involves an uninsured motorist claim subject to arbitration, check this item instead of Auto)*

Other PI/PD/WD (Personal Injury/Property Damage/Wrongful Death) Tort

Asbestos (04)
Asbestos Property Damage
Asbestos Personal Injury/Wrongful Death
Product Liability (not asbestos or toxic/environmental) (24)
Medical Malpractice (45)
Medical Malpractice-Physicians & Surgeons
Other Professional Health Care Malpractice
Other PI/PD/WD (23)
Premises Liability (e.g., slip and fall)
Intentional Bodily Injury/PD/WD (e.g., assault, vandalism)
Intentional Infliction of Emotional Distress
Negligent Infliction of Emotional Distress
Other PI/PD/WD

Non-PI/PD/WD (Other) Tort

Business Tort/Unfair Business Practice (07)
Civil Rights (e.g., discrimination, false arrest) *(not civil harassment)* (08)
Defamation (e.g., slander, libel) (13)
Fraud (16)
Intellectual Property (19)
Professional Negligence (25)
Legal Malpractice
Other Professional Malpractice *(not medical or legal)*
Other Non-PI/PD/WD Tort (35)

Employment

Wrongful Termination (36)
Other Employment (15)

Contract

Breach of Contract/Warranty (06)
Breach of Rental/Lease
Contract *(not unlawful detainer or wrongful eviction)*
Contract/Warranty Breach-Seller
Plaintiff *(not fraud or negligence)*
Negligent Breach of Contract/Warranty
Other Breach of Contract/Warranty
Collections (e.g., money owed, open book accounts) (09)
Collection Case-Seller Plaintiff
Other Promissory Note/Collections Case
Insurance Coverage *(not provisionally complex)* (18)
Auto Subrogation
Other Coverage
Other Contract (37)
Contractual Fraud
Other Contract Dispute

Real Property

Eminent Domain/Inverse Condemnation (14)
Wrongful Eviction (33)
Other Real Property (e.g., quiet title) (26)
Writ of Possession of Real Property
Mortgage Foreclosure
Quiet Title
Other Real Property *(not eminent domain, landlord/tenant, or foreclosure)*

Unlawful Detainer

Commercial (31)
Residential (32)
Drugs (38) *(if the case involves illegal drugs, check this item; otherwise, report as Commercial or Residential)*

Judicial Review

Asset Forfeiture (05)
Petition Re: Arbitration Award (11)
Writ of Mandate (02)
Writ-Administrative Mandamus
Writ-Mandamus on Limited Court Case Matter
Writ-Other Limited Court Case Review
Other Judicial Review (39)
Review of Health Officer Order
Notice of Appeal-Labor
Commissioner Appeals

Provisionally Complex Civil Litigation (Cal. Rules of Court Rules 1800-1812)

Antitrust/Trade Regulation (03)
Construction Defect (10)
Claims Involving Mass Tort (40)
Securities Litigation (28)
Environmental/Toxic Tort (30)
Insurance Coverage Claims *(arising from provisionally complex case type listed above)* (41)

Enforcement of Judgment

Enforcement of Judgment (20)
Abstract of Judgment (Out of County)
Confession of Judgment *(non-domestic relations)*
Sister State Judgment
Administrative Agency Award *(not unpaid taxes)*
Petition/Certification of Entry of Judgment on Unpaid Taxes
Other Enforcement of Judgment Case

Miscellaneous Civil Complaint

RICO (27)
Other Complaint *(not specified above)* (42)
Declaratory Relief Only
Injunctive Relief Only *(non-harassment)*
Mechanics Lien
Other Commercial Complaint Case *(non-tort/non-complex)*
Other Civil Complaint *(non-tort/non-complex)*

Miscellaneous Civil Petition

Partnership and Corporate Governance (21)
Other Petition *(not specified above)* (43)
Civil Harassment
Workplace Violence
Elder/Dependent Adult Abuse
Election Contest
Petition for Name Change
Petition for Relief from Late Claim
Other Civil Petition

02/27/2007 TUE 16:09 FAX 707 545 5454 Attorneys Diversified

0004/005

02/27/2007 09:56 FAX 9094472043

SHERNOFF BIDART & DARRAS

005/017

WILLIAM M. SHERNOFF #38856
 EVANGELINE FISHER GROSSMAN #176014
 JOEL COHEN #202851
 SHERNOFF BIDART & DARRAS, LLP
 600 South Indian Hill Boulevard
 Claremont, CA 91711
 Telephone: (909) 621-4935
 Facsimile: (909) 625-6915

FILED

FEB 27 2007

KIM TURNER
 County Executive Officer
 MARIN COUNTY SUPERIOR COURT
 By: [Signature]

Attorneys for Plaintiffs

BY FAX

SUPERIOR COURT FOR THE STATE OF CALIFORNIA

FOR THE COUNTY OF MARIN

DONALD SAXBY, an individual, and
 BARBARA SAXBY, an individual,

Plaintiffs,

vs.

NATIONWIDE LIFE INSURANCE
 COMPANY, dba NATIONWIDE HEALTH
 PLANS, LINDA DEBOLT, an individual
 and DOES 1 through 50 inclusive,

Defendants.

Case No.: CV070858

COMPLAINT

1. Breach of Contract
2. Breach of Duty of Good Faith and Fair Dealing
3. Declaratory relief
4. Violation of Business & Professions Code Section 17200, et seq.
5. Professional Negligence

DEMAND FOR JURY TRIAL

I. INTRODUCTION

1. This action arises from Nationwide's illegal and unfair scheme of rescinding individual insurance policy contracts in response to claims made by insureds.

SHERNOFF BIDART DARRAS
 LAWYERS FOR INSURANCE POLICYHOLDERS
 600 SOUTH INDIAN HILL CLAREMONT CA 91711 TEL 909 621-4935

2. Plaintiffs are informed and believe and thereon allege that Nationwide has a custom and practice of improperly rescinding policies. As a result, Nationwide has reaped substantial profits by retaining unpaid benefits. Insureds have reaped substantial, sometimes crushing, financial burdens because their medical providers seek to collect payment directly from them. Nationwide's practice is particularly reprehensible because it deprives insureds of their health coverage at precisely the moment they need it and subjects them to emotional and financial distress at precisely the time when they are most vulnerable.

3. Plaintiffs are victims of the foregoing scheme. Plaintiff Donald Saxby injured his left knee while skiing on February 12, 2006. He required surgery and additional treatment. Nationwide conducted postclaims underwriting. Nationwide purported to find a material omission in plaintiffs' application, purported to rescind the contract and refused to pay plaintiff's medical providers. As a result, plaintiff's providers sought, and continue to seek, payment from plaintiff.

4. The purported rescission of plaintiff's policy is void. The postclaims underwriting conducted by Nationwide violates California law and constitutes an unfair business practice:

a. Nationwide was obligated to pay plaintiff's medical providers who rendered services and treatment to plaintiff in good faith after they were authorized by Nationwide (Insurance Code ["Ins. C."] § 796.04);

b. Nationwide was prohibited from engaging in postclaims underwriting (Ins. C. § 10384);

c. The Medical Information questionnaire contained in Nationwide's form application is designed to trap innocent persons into making misstatements and omissions in their answers in order to justify rescissions. The Medical Information questionnaire is unfair in that it is confusing, overbroad, ambiguous and in effect unintelligible to persons of ordinary intelligence. Further, the Medical Information questionnaire is unfair in that it provides only for unqualified "yes" or "no" answers, and fails to provide for responses in circumstances where a person might not recall past events or fully understand the import of the question and the

1 consequences of the answer.

2 5. As more fully alleged below, plaintiffs are informed and believe and thereon
3 allege that Nationwide has a custom and practice of rescinding policies in violation of the
4 foregoing statutes and engaging in the foregoing unfair practices, and that such illegal and unfair
5 conduct is ongoing. In this action plaintiffs seek damages for breach of contract and bad faith, a
6 judicial declaration as to Nationwide's obligation to pay claims under the agreements in
7 question, and an injunction prohibiting Nationwide from continuing its illegal and unfair
8 conduct.

9 II. THE PARTIES

10 6. Plaintiffs are, and at all relevant times were, residents of the City of San Rafael,
11 County of Marin, State of California.

12 7. Plaintiffs are informed and believe and thereon allege that Defendant Nationwide
13 Life Insurance Company dba Nationwide Health Plans ("Nationwide") is a company duly
14 authorized to transact and transacting the business of insurance in the State of California.
15 Nationwide handles its California health insurance business from its corporate offices in
16 Sacramento, California.

17 8. Plaintiff is informed and believes and thereon alleges that Defendant Linda
18 Debolt is an appointed agent of Nationwide. Linda Debolt is the insurance agent that directed
19 plaintiff through the application process with Nationwide. Linda Debolt is authorized to transact
20 and is transacting the business of an insurance agent in the State of California. Linda Debolt is
21 located in the City of Petaluma, County of Marin, State of California.

22 9. The true names or capacities, whether individual, corporate, associate, or
23 otherwise, of defendants DOES 1 through 50, are unknown to plaintiff, who therefore designates
24 those defendants by these fictitious names. Each of the defendants sued herein as a DOE is
25 legally responsible in some manner for the events and happenings referred to and proximately
26 caused the injuries suffered by plaintiff. Plaintiffs will amend this complaint to allege their true
27 names and capacities when the same becomes known to plaintiffs.

28 10. Plaintiffs are informed and believe and thereon allege that at all relevant times

1 each of the defendants was the agent and employee of each of the remaining defendants, and in
 2 doing the things hereinafter alleged was acting within the course and scope of such agency and
 3 employment.

4 III. JURISDICTION

5 11. Jurisdiction is proper in that the amount in dispute exceeds the jurisdictional
 6 minimum of this Court.

7 IV. FACTUAL BACKGROUND

8 12. Plaintiffs applied for health care coverage with Nationwide Health Plans in
 9 January 2006. Barbara Saxby accessed the application, filled it out and submitted it online. At
 10 that time plaintiffs applied for the Nationwide policy they were insured with Blue Shield and had
 11 been insured for over three years. Plaintiffs were enticed to switch from Blue Shield to
 12 Nationwide because the Blue Shield policy had become very expensive. Their Blue Shield
 13 policy information was disclosed on the application for coverage with Nationwide.

14 13. After submitting the application online Barbara printed it out for her records.
 15 Upon reviewing the application with her husband, plaintiffs realized that she had misunderstood
 16 certain questions and, as a consequence, had inadvertently omitted information. Barbara called
 17 the customer service line for Nationwide and the Nationwide agent in order to add omitted
 18 information and correct errors or misunderstandings. Both the service representative and the
 19 agent assured them that these problems would be caught when Nationwide processed the
 20 application. Until they heard from the insurance company, they need not be concerned.

21 14. Nationwide approved plaintiffs for coverage under the Lifestyle 2500 \$2,500
 22 Deductible w/ 3-Tier Rx (Plan AL) health plan, policy number GH1000, certificate number
 23 709634 with an effective date of February 1, 2006. Thereafter, Nationwide delivered to
 24 plaintiffs the "Certificate of Insurance" (the "Policy").

25 15. After the policy went into effect, plaintiff Donald Saxby suffered a serious injury
 26 to his left knee as a result of a skiing accident on February 12, 2006. He received treatment and
 27 underwent knee surgery in March of 2006.

28 16. Nationwide authorized the surgery for plaintiff.

1 17. The medical providers submitted claims to Nationwide. Thereafter, Nationwide
2 obtained medical records from plaintiff's personal physician, Dr. Bernstein-Lawler, back to
3 February of 2001, five years before the application was filled out.

4 18. Nationwide informed Mr. Saxby in a letter dated October 4, 2006 that there
5 appeared to be discrepancies between the information given on the application for coverage and
6 the information noted in the medical records. This letter contained excerpts from these medical
7 records. The doctor's records indicated that plaintiff had Factor IX Deficiency. In addition, his
8 doctor had prescribed medication for depression, and he was referred for counseling in 2002 and
9 2003. Also, he received continuing treatment for asthma and hay fever. Nationwide requested
10 additional information from plaintiff, including whether the medical information in the excerpts
11 from the medical records was correct and why this medical information was not noted on the
12 application for coverage.

13 19. Mr. Saxby responded to the request for information in a letter to Nationwide
14 dated December 1, 2006. His letter stated that in 1987 a doctor told him that due to his Factor IX
15 deficiency he may have some trouble with internal bleeding should he have a major surgery but
16 it was nothing to worry about. This is what he told Dr. Bernstein-Lawler. He has never had a
17 problem with bleeding in day to day life, and he did not require treatment for this condition until
18 his knee surgery in March 2006. He stated that he has not been diagnosed with clinical
19 depression. He sought counseling because he was under the stress of a career change and
20 purchase of a house. His outlook became brighter and has remained so. He disclosed his
21 treatment for asthma and hay fever on the application for coverage.

22 20. Plaintiff stated in this letter that his wife, Barbara, had filled out the application
23 for coverage online. She answered the questions as to what she knew to be true. She filled out
24 the application based on the information that she had. She had assistance in completing the
25 application from both the Nationwide agent and the Nationwide customer service representative.
26 He also informed Nationwide in this letter that after the application was submitted, they realized
27 that Barbara had misunderstood certain questions. She called both the customer service line and
28 the Nationwide agent who had assisted them in order to add omitted information and correct the

1 errors. They were assured by both the customer service representative and the Nationwide agent
 2 that misunderstandings or errors would be caught when Nationwide processed the application,
 3 and until they heard from the insurance company, they need not be concerned.

4 21. In a letter dated December 18, 2006, Nationwide purported to rescind plaintiff
 5 Donald Saxby's Policy on the ground that plaintiff failed to disclose material information
 6 on the Application. Nationwide contended it would not have insured him if it had known such
 7 information.

8 22. Plaintiffs are informed and believe and thereon allege that the purported
 9 rescission of Mr. Saxby's Policy was a result of a postclaims underwriting investigation
 10 conducted by the defendant. Plaintiffs are informed and believe and thereon allege that
 11 Nationwide's "investigation" was nothing more than a fishing expedition to justify a rescission
 12 of plaintiff's Policy. Further, plaintiffs did not fully understand the meaning of questions on
 13 Nationwide's exceedingly confusing, overbroad, ambiguous and unintelligible Medical
 14 Information questionnaire or appreciate the consequences of their answers to such questions.

15 23. As a result of its purported rescission of Donald Saxby's Policy, Nationwide
 16 refused to pay claims submitted by medical providers who rendered services and treatment to
 17 plaintiff in good faith pursuant to Nationwide's authorization of such treatment.

18 24. Nationwide's postclaims underwriting review of plaintiff's file violated Ins. C. §
 19 10384, which prohibits postclaims underwriting.

20 25. Plaintiff was the express intended beneficiary of Nationwide's authorization of
 21 treatments performed by the medical providers. Nationwide's refusal to pay the medical
 22 providers violated Ins. C. § 796.04, which prohibits a health insurer from rescinding or
 23 modifying its authorization of services or treatment after the provider renders such service or
 24 treatment in good faith pursuant to the authorization. As a result of Nationwide's refusal to pay,
 25 the medical providers have billed plaintiff directly for their services.

26 ///

27 ///

28 ///

FIRST CAUSE OF ACTION FOR BREACH OF CONTRACT

(Nationwide)

26. Plaintiffs refer to all the preceding paragraphs and incorporate those paragraphs as though set forth in full in this cause of action.

27. Plaintiffs paid all premiums due and performed all of their obligations under the Policy.

28. Nationwide's purported rescission of the Policy constitutes a breach of contract in that Nationwide failed to pay benefits owed under the Policy.

29. As a proximate result of Nationwide's breach of contract, plaintiffs have suffered general and consequential damages under the Policy in an amount to be determined according to proof at the time of trial, plus interest.

**SECOND CAUSE OF ACTION FOR BREACH OF THE DUTY
OF GOOD FAITH AND FAIR DEALING**

(Nationwide)

30. Plaintiffs refer to all preceding paragraphs and incorporate those paragraphs as though set forth in full in this cause of action.

31. Nationwide has breached the duty of good faith and fair dealing owed to plaintiffs in the following respects:

- a. Unreasonably and in bad faith refusing to pay benefits owed under the Policy;
- b. Unreasonably and in bad faith conducting postclaims underwriting in violation of Ins. C. § 10384;
- c. Unreasonably and in bad faith refusing to pay benefits to plaintiff's medical providers for services and treatments rendered in violation of Ins. C. § 796.04; and
- d. Proximately causing plaintiff's medical providers to bill plaintiff directly for services and treatment that Nationwide was obligated to pay for as result of its authorization of such services and treatment.

32. Plaintiffs are informed and believe and thereon allege that Nationwide has breached its duty of good faith and fair dealing owed to plaintiffs by other acts or omissions of which plaintiffs are presently unaware and which will be shown at the time of trial.

33. As a proximate result of the aforementioned unreasonable and bad faith conduct of Nationwide, plaintiffs have suffered, and will continue to suffer in the future, damages under the policy, including damages for emotional distress, in an amount to be proven at trial, plus interest.

34. As a further and proximate result of the unreasonable and bad faith conduct of Nationwide, plaintiffs were compelled to retain legal counsel and to institute litigation to obtain the benefits due under the Policy. Therefore, Nationwide is liable for those attorneys' fees reasonably incurred in order to obtain plaintiff's benefits under the Policy.

35. Nationwide's conduct as described herein was despicable and was committed maliciously, fraudulently and oppressively with the wrongful intention of injuring plaintiff and with a willful and conscious disregard of the rights of plaintiff. Nationwide subjected plaintiff to cruel and unjust hardship, and via intentional misrepresentation, deceit, or concealment of material facts, Nationwide intended to deprive plaintiff of property or legal rights all to the detriment of plaintiff and to the financial benefit of Nationwide. Accordingly, plaintiff is entitled to recover exemplary and punitive damages under Civil Code § 3294, in an amount according to proof, in order to punish and to make an example of Nationwide, and to deter such conduct in the future.

36. Nationwide's conduct described herein was undertaken by Nationwide's officers, directors and managing agents, who were responsible for corporate policies, medical underwriting, claims supervision and operational decisions. The previously described conduct of said officers, directors and managing agents was therefore undertaken on behalf of the corporate defendant. Said corporate defendant further had advance knowledge of the actions and conduct of other employees, including but not limited to, underwriters and claims adjusters, whose actions and conduct were ratified, authorized, and approved by the corporate defendant.



1 37. Nationwide's conduct is particularly reprehensible because it was part of a
 2 repeated corporate practice and not an isolated occurrence. Plaintiffs are informed and believe
 3 and thereon allege that Nationwide has engaged in similar wrongful conduct as to individuals
 4 other than plaintiffs and that Nationwide has substantially increased its profits as a result of
 5 causing similar harm to others.

6 THIRD CAUSE OF ACTION FOR DECLARATORY RELIEF

7 (Nationwide)

8 38. Plaintiffs refer to all preceding paragraphs and incorporate those paragraphs as
 9 though set forth in full in this cause of action.

10 39. Plaintiff Donald Saxby is a party to the insurance contract with Nationwide.
 11 Plaintiff also is the third party beneficiary of Nationwide's authorization for providers to render
 12 services and treatment to plaintiff. Plaintiff obtained services and treatment with the justified
 13 expectation that his medical bills would be covered by Nationwide, under the terms of his Policy
 14 and pursuant to Nationwide's authorization to providers. Plaintiff's providers treated plaintiff in
 15 good faith after Nationwide authorized such treatments. The law prohibits Nationwide from
 16 reneging on its authorization and refusing to pay the providers.

17 40. Under Code of Civil Procedure section 1060, plaintiff has an interest in his Policy
 18 and in Nationwide's authorization to providers to render treatment on his behalf. A present and
 19 actual controversy exists between plaintiff, Nationwide, and plaintiff's providers in that
 20 Nationwide's refusal to pay providers has caused providers to bill plaintiff directly. As a result,
 21 plaintiff has been threatened with collection, is subject to possible lawsuits, and has been forced
 22 to grant liens to providers in order to forestall such collection efforts and possible lawsuits. Such
 23 actual and imminent events have caused, and will continue to cause, great harm to plaintiff's
 24 credit, economic well-being and emotional well-being.

25 41. Plaintiffs request a declaration from this Court that Nationwide has an obligation
 26 to pay all of the claims submitted by the medical providers who rendered services and treatment
 27 to plaintiff Donald Saxby in good faith after Nationwide authorized such treatment. Plaintiffs
 28



1 further request a declaration that plaintiff Donald Saxby is not liable to medical providers for any
2 sums that are the responsibility of Nationwide.

3 **FOURTH CAUSE OF ACTION FOR VIOLATION OF BUSINESS & PROFESSIONS**

4 **CODE SECTION 17200 et seq.**

5 (Nationwide)

6 42. Plaintiffs refer to all preceding paragraphs and incorporate those paragraphs as
7 though set forth in full in this cause of action.

8 43. Nationwide's conduct as described herein constitutes unfair competition under
9 Business & Professions Code section 17200. As more fully alleged above, that conduct includes
10 the following unlawful, fraudulent or unfair business acts or practices:

- 11 a. Utilizing a Medical Information questionnaire that is unfair as alleged above;
- 12 b. Engaging in postclaims underwriting in violation of Ins. C. § 10384;
- 13 c. Rescinding or modifying authorizations for services and treatments in violation of
14 Ins. C. § 796.04;
- 15 d. Inducing plaintiff to obtain medical services and treatment, and inducing
16 providers to perform services and give treatment, based on authorizations that were rescinded in
17 violation of Ins. C. § 796.04;
- 18 e. Causing plaintiff to be subjected to billing and collection efforts, and possible
19 lawsuits, by providers who were not paid by Nationwide.

20 44. Plaintiff "has suffered injury in fact and has lost money or property as a result of
21 [Nationwide's] unfair competition." (Business & Professions Code ["B.&P."] § 17203.)
22 Plaintiff can "compl[y] with Section 382 of the Code of Civil Procedure." (B.&P. § 17204.)

23 45. Plaintiffs are informed and believe and thereon allege that the unlawful,
24 fraudulent or unfair conduct alleged above is continuing in nature and reflects widespread acts or
25 practices engaged in by Nationwide.

26 46. Plaintiffs request that this Court issue an injunction prohibiting Nationwide from:

- 27 a. Utilizing a Medical Information questionnaire that is unfair as alleged above;
- 28 b. Engaging in postclaims underwriting in violation of Ins. C. § 10384; and

1 c. Rescinding or modifying authorizations for services or treatments in violation of
2 Ins. C. § 796.04.

3 47. Plaintiffs respectfully request an award of attorney's fees under Code of Civil
4 procedure section 1021.5.

5 **FIFTH CAUSE OF ACTION FOR PROFESSIONAL NEGLIGENCE**

6 (Against defendant Linda Debolt)

7 48. Plaintiff refers to all preceding paragraphs and incorporates those paragraphs as
8 though set forth in full in this cause of action.

9 49. Plaintiff is informed and believes and thereon alleges that Linda Debolt was
10 Nationwide's agent during the application process for the policy that Nationwide issued to the
11 plaintiff.

12 50. Plaintiff is informed and believes and thereon alleges that Linda Debolt held
13 herself out as a specialist in healthcare insurance and directed plaintiff through the application
14 process.

15 51. Linda Debolt owed plaintiff a duty of care to see that plaintiff's interests were
16 fully protected by completing the application in a complete and accurate manner. Linda Debolt
17 owed plaintiff a duty to ensure that all disclosures were made properly in the application process.
18 Moreover, Linda Debolt owed a heightened duty because she held herself out to be a specialist in
19 health insurance for individuals.

20 52. Plaintiff disclosed to Linda Debolt all material medical history. Linda Debolt
21 advised plaintiff what information Nationwide wanted on the application and directed the
22 application process. Linda Debolt knew that Nationwide would rely on the information
23 disclosed in the health history questionnaire. In fact, Nationwide cited plaintiff's failure to
24 disclose material information on the health history questionnaire as the basis for rescinding the
25 insurance policy.

26 53. At all relevant times, Linda Debolt knew that plaintiff was relying on her
27 experience, skill, accuracy, good faith, and expertise as a specialist in health insurance for
28 individuals.



54. Plaintiff is informed and believes and thereon alleges that Linda Debolt was negligent in other acts or omissions of which plaintiff is presently unaware.

55. As a proximate result of Linda Debolt's negligence, plaintiff has suffered, and will continue to suffer, general and special damages to be determined at trial.

PRAYER

WHEREFORE, plaintiffs pray for judgment as follows:

1. For general and consequential damages according to proof, plus prejudgment interest, for breach of contract;
2. For general and consequential damages, and damages for emotional distress, plus prejudgment interest, for breach of the implied covenant of good faith and fair dealing;
3. For punitive and exemplary damages;
4. For attorneys' fees incurred to recover benefits under the policy;
5. For a declaration of rights and obligations of the parties under the written agreements in question;
6. For injunctive relief under Business & Professions Code section 17200;
7. For attorneys' fees under Code of Civil Procedure section 1021.5;
8. For costs of suit incurred herein; and
9. For such other and further relief as the Court deems just and proper.

DATED: February 22, 2007

SHERNOFF BIDART & DARRAS LLP


Evangeline Grossman
 WILLIAM M. SHERNOFF
 EVANGELINE FISHER GROSSMAN
 JOEL A. COHEN
 Attorneys for Plaintiffs

DEMAND FOR JURY TRIAL

Plaintiffs hereby demand a jury trial on all causes of action that are triable to a jury.

DATED: February 22, 2007

SHERNOFF BIDART & DARRAS LLP


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FILED

APR 12 2007

KIM TURNER
Court Executive Officer
MARIN COUNTY SUPERIOR COURT
By: A. Garcia, Deputy

Attorneys for Defendants
NATIONWIDE LIFE INSURANCE COMPANY

SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF MARIN

DONALD SAXBY, an individual, and
BARBARA SAXBY, an individual,

Case No.: CV070858

Plaintiffs,

vs.

**DEFENDANT NATIONWIDE LIFE
INSURANCE COMPANY'S ANSWER
TO COMPLAINT**

NATIONWIDE LIFE INSURANCE
COMPANY, dba NATIONWIDE
HEALTH PLANS, LINDA DEBOLT, an
individual, and DOES 1 through 50,
inclusive,

Action Filed: February 27, 2007
Trial Date: Not set

Defendants.

Defendant Nationwide Life Insurance Company ("Nationwide"), for itself alone,
and for no other defendant, hereby answers plaintiffs' Complaint on file in this matter as
follows:

1. Pursuant to Section 431.30(d) of the California Code of Civil Procedure,
Nationwide denies generally and specifically each and every allegation contained in each
and every paragraph of plaintiffs' Complaint. Nationwide specifically denies that
plaintiffs have been damaged in any amount whatsoever or at all and further specifically
denies that plaintiffs, or either of them, are entitled to recover any damages in any amount
or at all.

4/12/07

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DEFENDANT NATIONWIDE LIFE INSURANCE COMPANY'S ANSWER TO COMPLAINT

1 Further answering the Complaint, Nationwide asserts the following affirmative
2 defenses:

3
4 **FIRST AFFIRMATIVE DEFENSE**

5 (To All Causes Of Action Alleged Against Nationwide)

6 2. Plaintiffs' Complaint fails to state facts sufficient to state a cause of action
7 against Nationwide.

8
9 **SECOND AFFIRMATIVE DEFENSE**

10 (To All Causes Of Action Alleged Against Nationwide)

11 3. California Civil Code Section 3294, under which plaintiffs' claims for
12 punitive damages are made against Nationwide, if applicable in this action, is invalid on its
13 face or is applied to Nationwide, pursuant to Article I, Section 10, Article IV, Section 2
14 and the First, Fifth, Sixth, Eighth and Fourteenth Amendments to the Constitution of the
15 United States, and Article I, Sections 7, 9, 15 and 17, and Article IV, Section 16 of the
16 California Constitution.

17
18 **THIRD AFFIRMATIVE DEFENSE**

19 (To All Causes Of Action Alleged Against Nationwide)

20 4. To the extent that any of plaintiffs' claims are based upon the theory that
21 there exists an implied covenant of good faith and fair dealing in an insurance contract, this
22 doctrine, as applied by California courts, is unconstitutional pursuant to the First, Fifth,
23 Sixth, Eighth and Fourteenth Amendments to the Constitution of the United States, and
24 Article I, Sections 2, 7, 9, 15 and 17, and Article IV, Section 16 of the California
25 Constitution.

FOURTH AFFIRMATIVE DEFENSE**(To All Causes Of Action Alleged Against Nationwide)**

5. On or about January 19, 2006, plaintiffs Don and Barbara Saxby completed and executed a written application to Nationwide for health insurance online. On the application, in response to question 1(b), plaintiffs stated and represented in writing that they had not, within the past 10 years, been treated for or diagnosed with alcoholism or been advised to reduce alcohol or drug use. On the application, and in response to question 1(c), plaintiffs stated and represented in writing that they had not, within the past 10 years, used marijuana, cocaine, heroine, methamphetamines, LSD or any other non-prescription drugs. On the application, and in response to question 2(h), plaintiffs stated and represented in writing that they had not, within the past 10 years, sought or been advised to have treatment for, had follow-up visits for, or been diagnosed with asthma, hay fever, allergies (including desensitization), COPD (chronic obstructive pulmonary disease), cystic fibrosis, emphysema, sarcoidosis, shortness of breath, tuberculosis, pneumonia, sleep apnea, or any disease, disorder or injury of the lungs or respiratory system, except that Don Saxby stated that he was treated for allergies with Claritin on random start and ending dates and that the condition still did not exist. On the application, and in response to question 2(i), plaintiffs stated and represented in writing that they had not, within the past 10 years, sought or been advised to have treatment for, had follow-up visits for, or been diagnosed with osteoarthritis, rheumatoid arthritis, back or neck pain, disease or disorder of the spine or spinal surgery, gout, osteoporosis, connective tissue disease, fibromyalgia, lupus, scleroderma, psoriasis or other disease, disorder or injury of the bones, joints or muscles. On the application in response to question 2(l), plaintiffs stated and represented in writing that they had not, within the past 10 years; sought or been advised to have treatment for, had follow-up visits for, or been diagnosed with depression, panic attacks, anxiety, bi-polar disorder, obsessive-compulsive disorder, schizophrenia, attention deficit disorder, attention deficit hyperactivity disorder or eating disorder. On the application in response to question 2(n), plaintiffs stated and represented in writing that

1 they had not, within the past 10 years, sought or been advised to have treatment for, had
 2 follow-up visits for or been diagnosed with chronic fatigue syndrome, Lyme disease,
 3 Marfan syndrome, anemia, weight loss, loss of appetite, lymph node enlargement or any
 4 other disease or disorder of the blood. On the application, and in response to question 3(a),
 5 plaintiffs stated and represented in writing, that they had not, within the past 10 years, been
 6 advised to have consultations or referrals to another physician, diagnostic tests, treatment,
 7 surgery or hospitalization (whether completed or not). On the application, and in response
 8 to question 5, plaintiffs stated and represented in writing that they had not, within the past
 9 2 years, been prescribed or recommended medication, herbal or nutritional supplements.
 10 On the application and in response to question 8, plaintiffs stated and represented in
 11 writing that they had not, within the past 5 years, had an exam, consultation, checkup, been
 12 hospitalized or been treated by a doctor, acupuncturist, chiropractor, physical therapist,
 13 psychiatrist, psychologist, nurse practitioner, physician's assistant or licensed mental
 14 health counselor for any reason. In reliance upon the application and upon the truth of the
 15 statements and representations contained in the application, Nationwide accepted the
 16 application and issued Certificate No. 709634, under Plan AL, Policy GH-1000, to
 17 plaintiffs.

18 6. Each of the representations and statements in the application were made by
 19 plaintiffs for the purpose of inducing Nationwide to rely thereon, and upon such reliance,
 20 to extend coverage to plaintiff under the Certificate and Policy. Nationwide did, in fact,
 21 rely upon such representations in issuing coverage under the Certificate and the Policy to
 22 plaintiffs. Each of plaintiff's representations and statements were material to the risk
 23 undertaken by Nationwide in issuing coverage to plaintiffs under the Certificate and the
 24 Policy because Nationwide would not have issued coverage under the Certificate and the
 25 Policy if it had known that the representations and statements, or any of them, were false,
 26 untrue, or incomplete.

27 7. Nationwide alleges, upon information and belief, that each of the
 28 representations and statements contained in the application and as set forth in paragraph 5

1 above, were false and incomplete and were known by plaintiff to be false and incomplete
2 at the time such representations and statements were made because of the following facts,
3 among other things: contrary to their response to question 1(b), plaintiffs had, within the
4 past 10 years, been treated or diagnosed with alcoholism or had been advised to reduce
5 drug or alcohol use; contrary to their response to question 1(c), plaintiffs had, within the
6 past 10 years, used marijuana, cocaine, heroine, methamphetamines, LSD or any other
7 non-prescription drugs; contrary to their response to question 2(h), plaintiffs had, within
8 the past 10 years, sought or had been advised to have treatment for, had follow-up visits
9 for, or been diagnosed with asthma, hay fever, allergies (including desensitization) COPD
10 (chronic obstructive pulmonary disease), cystic fibrosis, emphysema, sarcoidosis,
11 shortness of breath, tuberculosis, pneumonia, sleep apnea, or any disease, disorder or
12 injury of the lungs or respiratory systems, except that Don Saxby stated that he was treated
13 for allergies with Claritin on random start and ending dates and that the condition still did
14 not exist; contrary to their response to question 2(i), plaintiffs had, over the past 10 years,
15 sought or been advised to have treatment for, had follow-up visits for, or been diagnosed
16 with osteoarthritis, rheumatoid arthritis, neck or back pain, disease or disorder of the spine
17 or spinal surgery, gout, osteoporosis, connective tissue disease, fibromyalgia, lupus,
18 scleroderma, psoriasis, or other disease, disorder or injury of the bones, joints or muscles;
19 contrary to their response to question 2(l), plaintiffs had, within the past 10 years, sought
20 or been advised to have treatment for, had follow-up visits for, or been diagnosed with
21 depression, panic attacks, anxiety, bi-polar disorder, obsessive-compulsive disorder,
22 schizophrenia, attention deficit disorder, attention deficit hyperactivity disorder or eating
23 disorder; contrary to the response to question 2(n), plaintiffs had, or within the past 10
24 years, sought or been advised to have treatment for, had follow-up visits for, or been
25 diagnosed with chronic fatigue syndrome, Lyme disease, Marfan's syndrome, anemia,
26 weight loss, loss of appetite, lymph node enlargement or any other disease or disorder of
27 the blood; contrary to their response to question 3(a), plaintiffs had, within the past 10
28 years, been advised to have consultations or referrals to another physician, diagnostic tests,

1 treatment, surgery or hospitalization (whether completed or not); contrary to their response
 2 to question 5, plaintiffs had, within the past two years, been prescribed or recommended
 3 medication, herbal or nutritional supplements; and, contrary to their response to question 8,
 4 plaintiffs had, within the past five years, had an exam, consultation, check-up, been
 5 hospitalized or been treated by a doctor, acupuncturist, chiropractor, physical therapist,
 6 psychiatrist, psychologist, nurse practitioner, physician's assistant or licensed medical
 7 health counselor for any reason.

8 8. Nationwide had no knowledge of the falsity, untruth, and incompleteness of
 9 such representations and statements until discovered during the course of an investigation
 10 of a claim(s) made by plaintiffs for benefits under the Certificate and the Policy. Promptly
 11 thereafter, Nationwide denied benefits under the Certificate Policy and rescinded coverage
 12 under the Certificate and the Policy.

13 FIFTH AFFIRMATIVE DEFENSE

14 (To All Causes Of Action Alleged Against Nationwide)

15 9. Nationwide repeats and realleges paragraphs 1 through 8 of this Answer and
 16 incorporates the same herein by reference as though fully set forth.

17 10. Nationwide is informed and believes, and upon such information and belief
 18 alleges, that in making the representations and statements in the application, plaintiffs
 19 knew that their representations were false and that they intended by their actions to induce
 20 Nationwide to issue coverage under the Certificate and the Policy.

21 11. In actual and justifiable reliance upon the false and fraudulent
 22 representations and statements made by plaintiffs in the application, Nationwide issued and
 23 delivered coverage to plaintiffs under the Certificate and the Policy.

24 12. As a proximate result of plaintiffs' fraud, Nationwide was entitled to rescind
 25 coverage under the Certificate and the Policy. As a result of plaintiffs' fraud, Nationwide
 26 is not liable to plaintiffs for any of the benefits or other sums sought in the Complaint.
 27
 28

SIXTH AFFIRMATIVE DEFENSE

(To All Causes Of Action Alleged Against Nationwide)

13. Nationwide repeats and reallege paragraphs 1 through 12 of this Answer and incorporates the same herein by reference as though fully set forth.

14. Nationwide alleges, upon information and belief, that plaintiffs, in executing the application and in making the statements and representations hereinabove set forth, concealed and neglected to communicate to Nationwide the following facts which were within her knowledge and which were material to the risks to be insured against and to the issuance of the Certificate, all of which facts they were required to have communicated to Nationwide: (1) plaintiffs had, within the past 10 years, been treated or diagnosed with alcoholism or had been advised to reduce drug or alcohol use; (2) plaintiffs had, within the past 10 years, used marijuana, cocaine, heroine, methamphetamines, LSD or any other non-prescription drugs; (3) plaintiffs had, within the past 10 years, sought or had been advised to have treatment for, had follow-up visits for, or been diagnosed with asthma, hay fever, allergies (including desensitization) COPD (chronic obstructive pulmonary disease), cystic fibrosis, emphysema, sarcoidosis, shortness of breath, tuberculosis, pneumonia, sleep apnea, or any disease, disorder or injury of the lungs or respiratory systems, except Don Saxby's treatment for allergies with Claritin on random start and ending dates; (4) plaintiffs had, within the past 10 years, sought or been advised to have treatment for, had follow-up visits for, or been diagnosed with osteoarthritis, rheumatoid arthritis, neck or back pain, disease or disorder of the spine or spinal surgery, gout, osteoporosis, connective tissue disease, fibromyalgia, lupus, scleroderma, psoriasis, or other disease, disorder or injury of the bones, joints or muscles; (5) plaintiffs had, within the past 10 years, sought or been advised to have treatment for, had follow-up visits for, or been diagnosed with depression, panic attacks, anxiety, bi-polar disorder, obsessive-compulsive disorder; schizophrenia, attention deficit disorder, attention deficit hyperactivity disorder or eating disorder; (6) plaintiffs had, or within the past 10 years, sought or had been advised to have treatment for, had follow-up visits for, or been diagnosed with chronic fatigue syndrome,

1 Lyme disease, Marfan's syndrome, anemia, weight loss, loss of appetite, lymph node
2 enlargement or any other disease or disorder of the blood; (7) plaintiffs had, within the past
3 10 years, been advised to have consultations or referrals to another physician, diagnostic
4 tests, treatment, surgery or hospitalization (whether completed or not); (8) plaintiffs had,
5 within the past two years, been prescribed or recommended medication, herbal or
6 nutritional supplements; (9) plaintiffs had, within the past five years, had an exam,
7 consultation, check-up, been hospitalized or been treated by a doctor, acupuncturist,
8 chiropractor, physical therapist, psychiatrist, psychologist, nurse practitioner, physician's
9 assistant or licensed medical health counselor for any reason.

10 15. Nationwide further alleges, upon information and belief, that plaintiffs
11 concealed and neglected to communicate such material facts despite inquiry thereto by
12 Nationwide. In the absence of any waiver of any right of Nationwide to such information,
13 Nationwide had no means of ascertaining and could not be presumed to know such
14 material facts at the time it issued coverage under the Certificate and the Policy. On the
15 contrary, such facts were solely within the knowledge of plaintiffs. Each of such facts
16 were material to the risk undertaken by Nationwide because Nationwide would not have
17 issued coverage under the Certificate and the Policy had it known such facts.

18 16. Nationwide had no knowledge of the concealment of and neglect to
19 communicate such material facts by plaintiffs until discovered in the course of an
20 investigation of a claim(s) made for benefits under the Certificate and the Policy.
21 Promptly thereafter, Nationwide denied benefits under the Certificate and the Policy and
22 rescinded the Certificate and the Policy.

23 17. Nationwide is not liable to plaintiffs, or either of them, for any of the benefits
24 or other sums sought in the Complaint because of the foregoing concealment of material
25 facts.
26
27
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SEVENTH AFFIRMATIVE DEFENSE

(To All Causes Of Action Alleged Against Nationwide)

18. Plaintiffs have failed to mitigate their alleged damages, if any.

EIGHTH AFFIRMATIVE DEFENSE

(To All Causes Of Action Alleged Against Nationwide)

19. The damages suffered by plaintiffs, if any, were directly and proximately caused by the acts, omissions, carelessness, or negligence of plaintiffs or their agents. Plaintiffs' recovery, if any, should be diminished to the extent that said alleged damages are attributable to said acts, omissions, carelessness, or negligence.

NINTH AFFIRMATIVE DEFENSE

(To All Causes Of Action Alleged Against Nationwide)

20. The damages suffered by plaintiffs, if any, were directly and proximately caused by the acts, omissions, carelessness, or negligence of persons other than Nationwide. Plaintiffs' recovery, if any, should be diminished to the extent that said alleged damages were attributable to said acts, omissions, carelessness, or negligence.

TENTH AFFIRMATIVE DEFENSE

(To All Causes Of Action Alleged Against Nationwide)

21. Plaintiffs are estopped from asserting any entitlement to Certificate and Policy benefits or to compensatory or punitive damages.

ELEVENTH AFFIRMATIVE DEFENSE

(To All Causes Of Action Alleged Against Nationwide)

22. Plaintiffs have waived any claim to entitlement to coverage under the Certificate and the Policy or to compensatory or punitive damages.

TWELFTH AFFIRMATIVE DEFENSE

(To All Causes Of Action Alleged Against Nationwide)

23. Some or all of plaintiffs' claims are barred by the applicable statutes of limitations, including, but not limited to, California Code of Civil Procedure sections 337, 338, 339 and 340, California Business & Professions Code section 17208 and California Civil Code section 1783.

THIRTEENTH AFFIRMATIVE DEFENSE

(To All Causes Of Action Alleged Against Nationwide)

24. The Complaint and each alleged cause of action contained therein is barred by laches because of plaintiffs' conduct and actions.

FOURTEENTH AFFIRMATIVE DEFENSE

(To All Causes Of Action Alleged Against Nationwide)

25. The Complaint and each alleged cause of action contained therein is barred by reason of plaintiffs' unclean hands.

FIFTEENTH AFFIRMATIVE DEFENSE

(To All Causes Of Action Alleged Against Nationwide)

26. Although Nationwide does not admit to engaging in any conduct alleged by plaintiffs, to the extent any conduct by Nationwide could be construed as relating to matters alleged in the Complaint, that conduct was not and is not unlawful.

SIXTEENTH AFFIRMATIVE DEFENSE

(To All Causes Of Action Alleged Against Nationwide)

27. Although Nationwide does not admit to engaging in any conduct alleged by plaintiffs, to the extent any conduct by Nationwide could be construed as relating to matters alleged in the Complaint, that conduct was not and is not unfair within the meaning

1 of California Business & Professions Code Sections 17200 *et seq.*, and is justified by
2 legitimate business and competitive reasons.

3
4 **SEVENTEENTH AFFIRMATIVE DEFENSE**

5 **(To All Causes Of Action Alleged Against Nationwide)**

6 28. Even if plaintiffs could establish the elements of a violation of the unfair
7 competition law, in light of all the relevant considerations, the Court can and should
8 exercise its discretion and decline to award injunctive or other equitable relief.

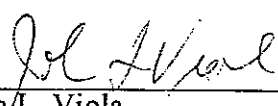
9
10 WHEREFORE, Nationwide prays for judgment as follows:

- 11 1. That plaintiffs take nothing by reason of their Complaint;
12 2. For costs of suit, including attorneys' fees; and,
13 3. For such other and further relief as the Court deems just and proper.
14

15
16 Dated: April 11, 2007

17 THELEN REID BROWN RAYSMAN &
18 STEINER LLP

19
20 By



John L. Viola
Attorneys for Defendant
Nationwide Life Insurance Company

1 *Saxby, et al. v. Nationwide Life Ins. Co., et al.*

2 **PROOF OF SERVICE BY MAIL**

3 CASE NO. CV070858

4 I am over the age of 18 and not a party to the within action. I am employed in the County
5 of Los Angeles, State of California by Thelen Reid Brown Raysman & Steiner LLP. My business
6 address is 333 South Hope Street, Suite 2900, Los Angeles, California 90071.

7 On April 11, 2007, I served the following entitled document:

8 **DEFENDANT NATIONWIDE LIFE INSURANCE**
9 **COMPANY'S ANSWER TO COMPLAINT**

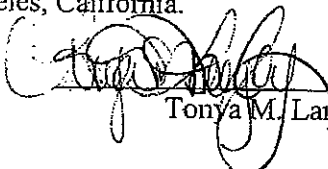
10 by placing a true and correct copy thereof in a sealed envelope addressed as follows:

11 William M. Shernoff, Esq.
12 **SHERNOFF BIDART & DARRAS**
13 600 S. Indian Hill Boulevard
14 Claremont, California 91171
Telephone: 909.621.4935
Facsimile: 909.625.6915

15 I am readily familiar with the firm's business practice for collection and processing of
16 correspondence for mailing with the United States Postal Service. On this day, I placed for
17 collection and processing the above document to be deposited with the United States Postal
18 Service in the ordinary course of business. And in the ordinary course of the firm's business, such
19 correspondence is deposited with the United States Postal Service the same day that it is collected.

20 I declare under penalty of perjury under the laws of the State of California that the
21 foregoing is true and correct.

22 Executed on April 11, 2007, at Los Angeles, California.

23 
24 Tonya M. Langley
25
26
27
28

MARIN COUNTY SUPERIOR COURT
 Civic Center, Room 113
 P. O. Box 4988
 San Rafael, CA 94913-4988

6-13-07

PLAINTIFF: Dennis Stryby vs. CASE NO. CV-070858

DEFENDANT: NATIONWIDE LIFE INSURANCE CO CIVIL / MINUTES / OSC / SERVICE

CSCRT. JUDGE William Dwyer REPORTER — CLERK JCA
 APATT ATTORNEY Joe Cohen appeared for — COURT CALL
 APPPP Plaintiff/Petitioner — is present in pro per.
 APNAP No appearance by or for the parties.
 APNAB No appearance by or for the

CSMDT THE COURT MODIFIES MANDATORY APPEARANCE DATES ON CASE MANAGEMENT SCHEDULE AS FOLLOWS: PREVIOUS DATES VACATED.

Filing of Proof of Service
 Filing of Answer or Default
 Status Conference

7/19/07
9:00 a.m.
9:00 a.m.
9:00 a.m.

AS to LINDA
 Debit

APOSC ORDER TO SHOW CAUSE ISSUED FOR:

(Name):

For Failing to Appear on _____ or file ☐ Proof of Service ☐ Request to Enter Default
 As to _____

YOU ARE HEREBY ORDERED TO APPEAR IN COURT AS SET FORTH BELOW TO SHOW CAUSE WHY YOU FAILED TO COMPLY WITH THE STANDARD FILING REQUIREMENTS OF THE CASE MANAGEMENT SCHEDULE IN THE ABOVE REFERENCED CASE:

Date: _____ 9:00 a.m. Courtroom: _____ before Judge: _____

☐ FNASO IT IS FURTHER ORDERED THAT THE FOLLOWING SANCTIONS SHALL BE IMPOSED IN THE AMOUNT OF: \$ _____ DUE ON _____ / _____ / _____

☐ CSTXT

☐ NTINT Plaintiff/petitioner/counsel of record has 15 days to file ☐ proof of service

☐ Request to enter default, as to defendant(s) _____ Failure to file or appear in court will result in the dismissal of the individual defendant(s) or the entire case.

☐ CSDLP Case dismissed, lack of prosecution

☐ CSDOT Case disposed before trial; Dismissed; other reasons _____

☐ CSDSP Case disposed in its entirety

William Dwyer
 JUDGE OF THE SUPERIOR COURT

DECLARATION OF PERSONAL SERVICE/SERVICE BY MAIL

(Code of Civil Procedure Sections 1013a and 2015.5)

I, the undersigned, under penalty of perjury, declare that I am over 18 years of age, a citizen of the United States, an employee of the County of Marin and not a party to the action. I served this Civil Minutes Order by ☐ Personal Service, or ☒ Service by Mail (by placing true copies thereof, enclosed in a separate envelope, with postage fully prepaid by the filing party, in the United States Post Office mail box, at San Rafael, Marin County, California) on the date written herein, addressed to the parties/counsel as indicated on the complaint.

William Stryby
600 SO. INDIAN HILL BLVD
CIRCEMON CA 94711-5498

FILED

JUN 13 2007

Executed at San Rafael, California

KIM TURNER

Acting Court Executive Officer KIM TURNER
 Court Executive Officer
 MARIN COUNTY SUPERIOR COURT

By J. Minkiewicz, Dennis
 Deputy

DYKEMA GOSSETT LLP
JOHN L. VIOLA, SBN: 131407
 333 South Grand Avenue
 Suite 2100
 Los Angeles, California 90071
 Telephone: (213) 457-1800
 Facsimile: (213) 457-1850

Attorneys for Defendant
NATIONWIDE LIFE INSURANCE COMPANY

FILED

JAN 31 2008

KIM TURNER
 Court Executive Officer
MARIN COUNTY SUPERIOR COURT
 By: J. Naue, Deputy

SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF MARIN

DONALD SAXBY, an individual, and
BARBARA SAXBY, an individual,

Plaintiffs,

vs.

NATIONWIDE LIFE INSURANCE
COMPANY, dba NATIONWIDE HEALTH
PLANS, LINDA DEBOLT, an individual,
and DOES 1 through 50, inclusive,

Defendants.

Case No. CV070858

[Assigned for All Purposes to Hon. Lynn
 Duryee, Dept. L]

[PROPOSED] ORDER DENYING
PLAINTIFFS' MOTIONS TO QUASH

Date: January 25, 2008
 Time: 9:00 a.m.
 Dept.: L

Complaint Filed: February 27, 2007
 Trial Date: March 19, 2008

Plaintiffs' Motions to Quash the Subpoenas served by defendant Nationwide Life Insurance Company on Dr. Claudia Perez, Dr. Joan Steidinger, and Blue Shield, San Francisco, came on regularly for hearing before this Court on January 25, 2008. On January 24, 2008, the Court issued its tentative ruling as follows:

"Plaintiff's Motion to Quash is denied. While the defense against the bad faith cause of action may be limited to the records on which defendant relied to rescind the policy, plaintiff sued for a variety of other claims including declaratory relief and breach of contract. The requested records are relevant for these claims as well as other controverted issues such as creditability and impeachment."

///

///

[PROPOSED] ORDER DENYING PLAINTIFFS' MOTIONS TO QUASH

DYKEMA GOSSETT LLP
 333 SOUTH GRAND AVENUE
 SUITE 2100
 LOS ANGELES, CALIFORNIA 90071

Counsel for the parties not having informed the Court that they wish to present oral argument on the Motions, the Court's tentative ruling becomes the Order of the Court, pursuant to Local Rule 1.6(B).

IT IS THEREFORE ORDERED that:

1. Plaintiffs' Motion to Quash the Subpoena served by Nationwide Life Insurance Company on Dr. Claudia Perez is DENIED;

2. Plaintiffs' Motion to Quash the Subpoena served by defendant Nationwide Life Insurance Company on Dr. Joan Steidinger is DENIED; and,

3. Plaintiffs' Motion to Quash the Subpoena served upon Blue Shield, San Francisco, is DENIED.

Dated: JAN 31 2008

By: LYNN DURYEE
Honorable Lynn Duryee
Judge of the Superior Court

Approved as to Form:

By: Joel Cohen
Joel Cohen
Attorneys for Plaintiffs
Donald Saxby and Barbara Saxby

Dated: 1/28/08

PAS0165995.1
IDULV

2
[PROPOSED] ORDER DENYING PLAINTIFFS' MOTIONS TO QUASH

DYKEMA GOSSETT LLP
333 SOUTH GRANT AVENUE
SUITE 2100
LOS ANGELES, CALIFORNIA 90071

Saxby vs. Nationwide

CASE NO. CV070858

PROOF OF SERVICE

I am over the age of 18 and not a party to the within action. I am employed in the County of Los Angeles, State of California by Dykema Gossett LLP. My business address is 333 South Grand Avenue, Suite 2100, Los Angeles, California 90071-3048.

On January 29, 2008, I served a true and correct copy of the following entitled document:

[PROPOSED] ORDER DENYING PLAINTIFFS' MOTION TO QUASH

as follows:

William M. Shernoff, Esq.
 Evangeline Fisher-Grossman, Esq.
 Joel Cohen, Esq.
SHERNOFF BIDART & DARRAS
 600 S. Indian Hill Boulevard
 Claremont, California 91171
 Telephone: 909.621.4935
 Facsimile: 909.625.6915
Attorneys for Plaintiff

James C. Krieg
**KRIEG, KELLER, SLOAN, REILLEY &
 ROMAN LLP**
 114 Sansome Street, 4th Floor
 San Francisco, CA 94104
 Telephone: 415.249.8330
 Facsimile: 415.249.8333
Attorneys for Defendant Linda DeBolt

☒ **BY MAIL** I am readily familiar with the firm's business practice for collection and processing of correspondence for mailing with the United States Postal Service. On this day, I placed for collection and processing the above document to be deposited with the United States Postal Service in the ordinary course of business. And in the ordinary course of the firm's business, such correspondence is deposited with the United States Postal Service the same day that it is collected.

☐ **BY FACSIMILE** I caused the attached documents to be transmitted to the interested party in this action by faxing a true copy from facsimile telephone number (213) 457-1850. The document was transmitted by facsimile transmission and the transmission was reported as complete and without error. The transmission report was properly issued by the transmitting facsimile machine.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed on January 29, 2008, at Los Angeles, California.



Tonya M. Langley

EXHIBIT 2

REC'D FEB 26 2008

1 James C. Krieg [SBN 77069] (jkrieg@kksrr.com)
2 Allison Lane Cooper [SBN 152384] (acooper@kksrr.com)
3 KRIEG, KELLER, SLOAN, REILLEY & ROMAN LLP
4 114 Sansome Street, 4th Floor
5 San Francisco, CA 94104
6 Telephone: (415) 249-8330
7 Facsimile: (415) 249-8333

8 Attorneys for Defendant
9 LINDA DEBOLT

10 SUPERIOR COURT OF CALIFORNIA

11 COUNTY OF MARIN

12 DONALD SAXBY, an individual, and
13 BARBARA SAXBY, an individual,

14 Plaintiffs,

15 v.

16 NATIONWIDE LIFE INSURANCE
17 COMPANY, dba NATIONWIDE LIFE
18 PLANS, LINDA DEBOLT, and DOES 1
19 through 50, inclusive,

20 Defendants.

Case No.: CV070858

21 **DEFENDANT LINDA DEBOLT'S
22 SETTLEMENT CONFERENCE
23 STATEMENT AND NOTICE OF
24 SETTLEMENT**

Date: March 10, 2008

Time: 10:00 a.m.

Dept.: "L"

25 Defendant Linda DeBolt has reached a settlement of all of plaintiffs' against her.
26 DeBolt anticipates filing a request for dismissal, with prejudice, of such claims before the
27 Mandatory Settlement Conference. There are no other pending claims against DeBolt. In
28 ///

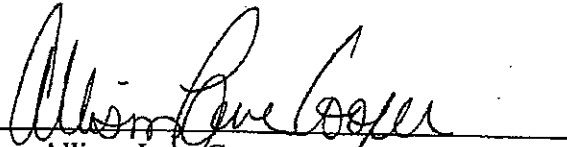
DEFENDANT LINDA DEBOLT'S SETTLEMENT CONFERENCE STATEMENT AND
NOTICE OF SETTLEMENT
Case No. CV070858
1

1 view of the pending settlement, which resolves all claims against her, DeBolt does not expect
2 that she will be participating in the Mandatory Settlement Conference scheduled for March
3 10, 2008.

4 Dated: February 22, 2008

KRIEG, KELLER, SLOAN, REILLEY & ROMAN LLP

5
6
7 By:



8 Allison Lane Cooper
9 Attorneys for Defendant
10 LINDA DEBOLT
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DEFENDANT LINDA DEBOLT'S SETTLEMENT CONFERENCE STATEMENT AND
NOTICE OF SETTLEMENT
Case No. CV070858
2

Saxby, et al. v. Nationwide Life Insurance, et al.
Marin County Superior Court Case No. CV070858

PROOF OF SERVICE

I, the undersigned, declare under penalty of perjury under the laws of the State of California that the following is true and correct:

I am employed in the City and County of San Francisco, State of California, in the office of a member of the bar of this court, at whose direction the service was made. I am over the age of eighteen (18) years and not a party to or interested in the within-entitled action. I am an employee of KRIEG, KELLER, SLOAN, REILLEY & ROMAN LLP, and my business address is 114 Sansome Street, 4th Floor, San Francisco, California 94104.

On February 22, 2008, I served following document(s):

**DEFENDANT LINDA DeBOLT'S SETTLEMENT CONFERENCE STATEMENT AND
NOTICE OF SETTLEMENT**

served by the following means, on the person(s) listed below:

Evangeline F. Grossman
Shernoff Bidart & Darras, LLP
600 South Indian Hill Boulevard
Claremont, CA 91711
Telephone 909-621-4935
Facsimile 909-625-6915
Counsel for Plaintiffs

John L. Viola
Dykema Gossett, LLP
333 S. Grand Avenue
Suite 2100
Los Angeles, CA 90071
Telephone 213-457-1800
Facsimile 213-457-1850
jviola@dykema.com
*Counsel for Defendant Nationwide Life Insurance
Company*

The document(s) were served by the following means:

By PERSONAL SERVICE. I personally delivered the documents to the persons at the addresses listed above. (1) For a party represented by an attorney, delivery was made to the attorney or at the attorney's office by leaving the document in an envelope or package clearly labeled to identify the attorney being served with a receptionist or an individual in charge of the office. (2) For a party, delivery was made to the party or by leaving the documents at the party's residence with some person not less than 18 years of age between the hours of 8:00 a.m. and 6:00 p.m.

X By UNITED STATES MAIL. I enclosed the documents in a sealed envelope or package addressed to the persons at the addresses listed above; and (1) deposited the sealed envelope with the United States Postal Service, with the postage fully prepaid; or (2) placed the envelope for collection and mailing, following our ordinary business practices. I am readily familiar with this business practice for collecting and processing correspondence for mailing. On the same day that correspondence is placed for collection and mailing, it is deposited in the ordinary course of business with the United States Postal Service, in a sealed envelope with postage fully prepaid.

I am a resident or employed in the county where the mailing occurred. The envelope or package was placed in the mail at San Francisco, California.

PROOF OF SERVICE
Case No. CV 070858

PROOF OF SERVICE

1
2 By **OVERNIGHT DELIVERY**. I enclosed the documents in an envelope or package provided
3 by an overnight delivery carrier and addressed to the persons at the addresses listed above. I
4 placed the envelope or package for collection and overnight delivery at an office or a regularly
utilized drop box of the overnight delivery carrier.

5 — By **MESSENGER SERVICE**. I served the documents by placing them in an envelope or
6 package addressed to the person at the address listed above and providing them to a professional
messenger service for service. *(A declaration by the messenger must accompany this Proof of
7 Service or be contained in the Declaration of Messenger below).*

8 — By **FAX TRANSMISSION**. Based on an agreement of the parties to accept service by fax
9 transmission, I faxed the documents to the persons at the fax numbers listed above. No errors
were reported by the fax machine that I used.

10 — By **E-MAIL OR ELECTRONIC TRANSMISSION**. Based on a court order or an agreement
11 of the party to accept service by e-mail or electronic transmission, I caused the documents to be
sent to the persons at the e-mail addresses listed above. I did not receive, within a reasonable
12 time after the transmission, any electronic messages or other indication that the transmissions
were unsuccessful.

13 I declare under the penalty under the laws of the State of California that the foregoing is true and
14 correct.

15 Dated: February 22, 2008

16 Joy Morla



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PROOF OF SERVICE
Case No. CV 070858

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Page 43